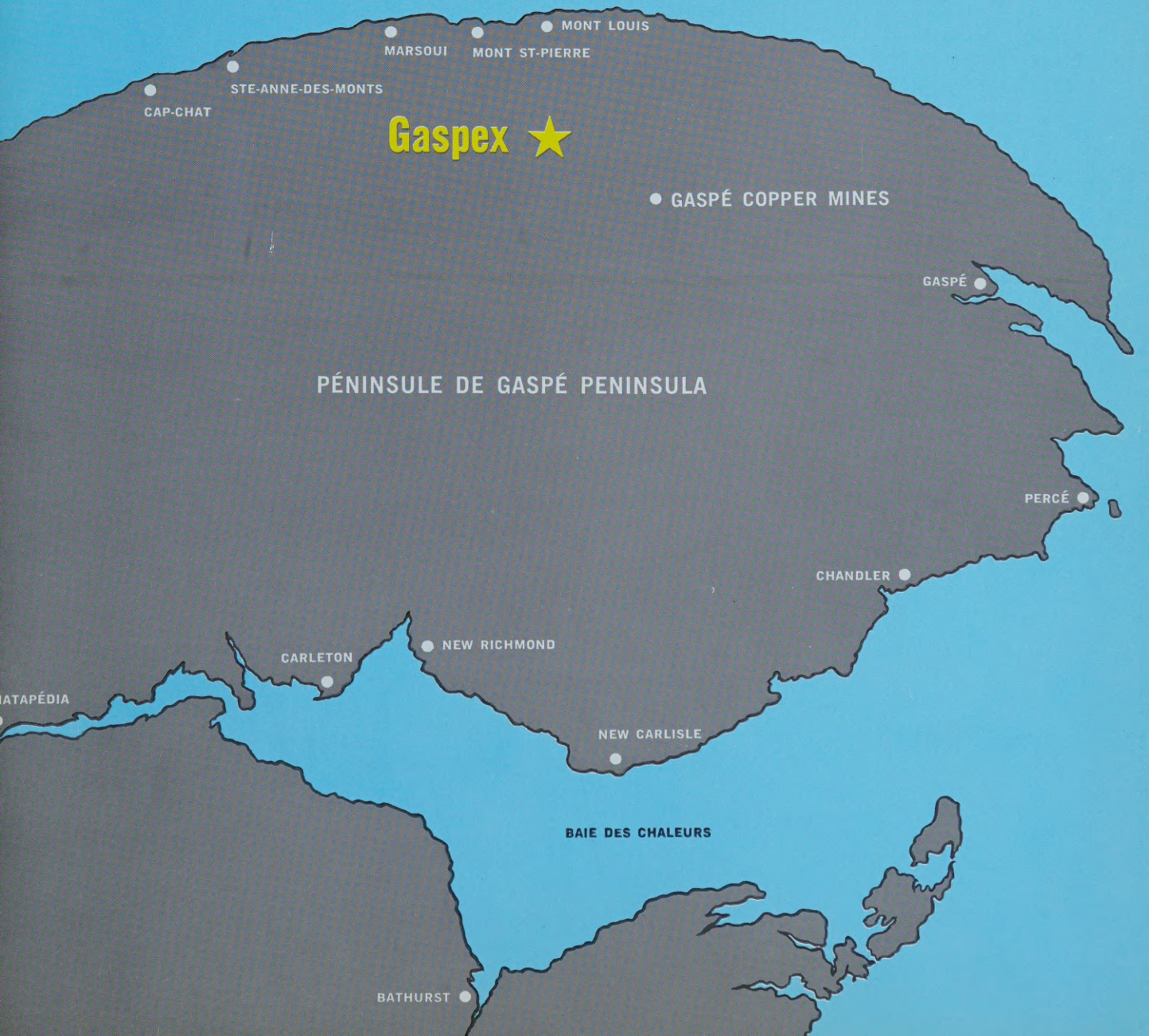
Gaspex MINES LTD. (NO PERSONAL LIABILITY)

prospectus

AR25

110 PLACE CREMAZIE
SUITE 426
MONTREAL 11, QUE.



This prospectus is not, and under no circumstances is to be construed as, a public offering of any of these Shares for sale in the United States of America or in the territories or possessions thereof.

No Securities Commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder, and any representation to the contrary is an offence.

NEW ISSUE

500,000 Shares

having the par value of $1 each

Gaspex MINES LTD. (NO PERSONAL LIABILITY)

(Incorporated under the Quebec Mining Companies Act)

Registrar and Transfer Agent
Crown Trust Company, Montreal and Toronto

These shares are being offered at varying prices to yield a minimum return to the treasury of at least 45¢ per share after allowing for the payment of commissions to registered brokers not to exceed 10% of the selling price to the public.

The Company reserves the right to accept applications for these shares in whole or in part or to reject any application and to withdraw this offer at any time without notice.

As the Company's properties are mainly undeveloped, any investment made in the Company's Shares must be considered as speculative, and no person is authorized by the Company to give any information or make any representation other than those contained in this prospectus in connection with the issue and sale of the Company's Shares.

Gaspex MINES LTD. (NO PERSONAL LIABILITY)

Suite 426,
110 Place Crémazie,
Montréal, Québec.

prospectus

Gaspex MINES LTD. (NO PERSONAL LIABILITY)

EXECUTIVE OFFICES:

SUITE 426, 110 PLACE CRÉMAZIE, MONTRÉAL, QUÉBEC

HEAD OFFICE

MONTREAL, QUE.

OFFICERS

C. L. GAUTHIER, B.A.Sc. . . . . President

R. CHENAIL . . . . . Vice-President

G. H. VEILLEUX . . . . . Secretary-Treasurer

DIRECTORS

R. CHENAIL

C. L. GAUTHIER, B.A.Sc.

A. MOREAU

J. P. SIJPKENS, M.Sc., Ph.D.

G. H. VEILLEUX

CHIEF GEOLOGIST

R. A. MARLEAU, D.Sc.

REGISTRAR AND TRANSFER AGENT

CROWN TRUST COMPANY . . . . . Montreal and Toronto

AUDITORS

CLARKSON, GORDON & CO. . . . . Montreal

PRESIDENT'S LETTER

Since 1959, the undersigned has been organizing yearly prospecting grubstakes so as to carry out prospecting work in various areas of the Gaspé Peninsula. These ventures were rendered possible by the support and financial assistance of various representatives of the Canadian Mining fraternity. The 1960 and 1964 grubstakes, formed to carry out basic prospecting along a mineralized belt of volcanic rocks in Boisbuisson Township, east of the Tabletop mountains, were particularly successful.

The necessary funds to conduct a prospecting program at that time were provided by the members of these grubstakes, which comprise the 55 mining companies and two individuals listed on page No. 11 of this prospectus.

The formation of the Company to incorporate the favourable ground held by these two grubstakes was the next logical step in order to follow up the mineral discoveries that have been made by them. During March, 1965, the members of the C. L. GAUTHIER 1960 PROSPECTING GRUBSTAKE and the C. L. GAUTHIER 1964 PROSPECTING GRUBSTAKE approved the sale of their claim groups to the Company in consideration for the issue to them of shares of the Company and warrants for rights to subscribe to additional shares. Other claim groups which had been staked by various individuals along the same favourable rock formations have also been acquired by the Company in consideration for the issue of shares of the Company.

The Company's immediate objective is to carry out an integrated work program of surface exploration on its properties. This program has been recommended by Dr. N. R. Schindler, Consulting Geological Engineer, and details thereof are set forth in the reports of Dr. Schindler which form part of this prospectus. This work program was commenced by the Company in early May of this year. Furthermore, the Company will investigate other exploration areas in the Gaspé Peninsula.

In organizing the Company, the undersigned has secured the services of a team of mining men who should efficiently manage the Company's affairs.

As the Company's properties are mainly undeveloped, any investment made in the Company's shares must be considered as speculative.

Yours truly,

GASPEX MINES LTD.
(No Personal Liability)

(Signed) CHARLES L. GAUTHIER
President

Montreal, Canada
December 30, 1965

STATUTORY INFORMATION

1. The full name of the Company is Gaspex Mines Ltd. (No Personal Liability) (hereinafter called the "Company") and the address of its head office is Suite 426, 110 Place Cremazie, Montreal, P.Q.

2. The Company was incorporated by letters patent dated June 4, 1964 under the provisions of the Quebec Mining Companies Act.

3. The names in full, present occupation and home address in full of the officers, directors and promoters of the Company are as follows:

DIRECTORS

ROLAND CHENAIL	*Professional Entertainer*	160 Irvine Street, St. Lambert, P.Q.
CHARLES LOUIS GAUTHIER	*Prospector*	11147 Frigon Street, Montreal 12, P.Q.
ADELARD MOREAU	*Executive*	11550 St. Réal Street, Montreal 12, P.Q.
JAKOB PIETER SIJPKENS	*Geologist*	98 Wellesley St. East, Toronto 5, Ontario
GEORGES HENRI VEILLEUX	*Executive*	15 Avenue des Mille Iles, St. Eustache, P.Q.

OFFICERS

CHARLES LOUIS GAUTHIER	*President*	11147 Frigon Street, Montreal 12, P.Q.
ROLAND CHENAIL	*Vice-President*	160 Irvine Street, St. Lambert, P.Q.
GEORGES HENRI VEILLEUX	*Secretary-Treasurer*	15 Avenue des Mille Iles, St. Eustache, P.Q.

PROMOTER

CHARLES LOUIS GAUTHIER	*Prospector*	11147 Frigon Street, Montreal 12, P.Q.

4. The auditors of the Company are Messrs. Clarkson, Gordon & Co., 500 St. James Street West, Montreal, P.Q.
5. Crown Trust Company at its offices in the Cities of Montreal and Toronto is the registrar and transfer agent for the shares in the capital of the Company.

6. The authorized share capital of the Company consists of 5,000,000 shares having the par value of one dollar ($1.00) each (hereinafter called the "shares") of which 826,460 shares have been issued and are outstanding as fully paid and non-assessable.

7. No bonds or debentures are outstanding or proposed to be issued.

8. Certificates representing 675,000 shares have been issued and allotted as consideration for the sale of mining claims to the Company and are held in escrow by Crown Trust Company, 393 St. James Street West, Montreal, P.Q. Such shares may not be released, transferred, hypothecated or otherwise alienated without the written consent of the Quebec and Ontario Securities Commissions.

   The 70,000 shares referred to in Paragraph 11 are held in escrow for Charles L. Gauthier by Crown Trust Company, 393 St. James Street West, Montreal, P.Q. and such shares may not be released, transferred, hypothecated or otherwise alienated without the written consent of the Quebec Securities Commission.

9. The shares in the capital of the Company sold for cash to the date of this prospectus are as follows:

Number of Shares sold	*Price per Share*	*Total Cash Received by the Company*
10	$1.00	$ 10
37,650	10¢	3,765
6,100	15¢	915
37,700	20¢	7,540
81,460		$12,230

No commissions have been paid on the sale of any of these shares.

10. No securities of the Company other than shares have been sold for cash to the date hereof.

11. 70,000 shares have been issued and allotted to Charles L. Gauthier, 11147 Frigon Street, Montreal 12, P.Q. as fully paid and non-assessable, and $2,100 in cash has been paid to him, the whole in consideration for his services rendered as promoter of the Company for the period from August 1, 1963 to April 1, 1965.

12. (a) The Company is the registered holder of eight groups of mining claims in Boisbuisson and Raudin Townships, County of Gaspé North, Province of Quebec. The claims are divided into eight groups, as follows:

Boisbuisson Township

(i) Group "A" (20 claims)	Certificate	183518	Claim No. (s) 1, 2, 5
		183524	1, 4
		202980	1 to 5
		202981	1 to 5
		202982	1 to 5
(ii) Group "B" (10 claims)		216943	1 to 5
		216944	1 to 5

(iii)	Group "C"	216152	1 to 5
	(15 claims)	216153	1 to 5
		216902	1 to 5
(iv)	Group "D"	219387	1 to 5
	(30 claims)	219388	1 to 5
		219389	1 to 5
		219390	1 to 5
		219391	1 to 5
		219392	1 to 5
(v)	Group "E"	216144	1 to 5
	(5 claims)		
(vi)	Group "F"	209076	1 to 5
	(40 claims)	214556	1 to 5
		214559	1 to 5
		216150	1 to 5
		216151	1 to 5
		216942	1 to 5
		219468	1 to 5
		219470	1 to 5
(vii)	Group "G"	209033	2
	(14 claims)	209034	1
		209035	1
		209036	1
		216148	1 to 5
		216149	1 to 5

Raudin Township

(viii)	Raudin Group	Certificate 175970	Claim No. (s) 4
	(7 claims)	175975	1 to 5
		175976	1

Each claim covers an area of 40 acres so that the total 141 claims covers an area of 5,640 acres.

All the above mining claims are issued pursuant to the provisions of the Quebec Mining Act and are registered in the name of the Company with the Registrar, Bureau of Mines, Department of Natural Resources, Quebec, P.Q.

(b) On May 6, 1965, the Company acquired the Group "A", Group "B" and Raudin Group claims from the C. L. Gauthier 1960 Prospecting Grubstake, c/o C. L. Gauthier, 11147 Frigon Street, Montreal 12, P.Q. for the sum of $15,000 paid by the Company by the issue and allotment to the C. L. Gauthier 1960 Prospecting Grubstake as fully paid and non-assessable of 150,000 shares issued at a discount of 90% and by the issue of warrants for rights to subscribe to an additional 300,000 shares at a price of 25¢ per share.

On May 6, 1965, the Company acquired the Group "C" and Group "D" claims from S. C. Farquharson, 842 McEachran Avenue, Montreal 8, P.Q. and from C. L. Gauthier, 11147 Frigon Street, Montreal 12, P.Q. for the sum of $12,500 paid by the Company by the issue and allotment to S. C. Farquharson and C. L. Gauthier as fully paid and non-assessable of 93,750 shares and 31,250 shares respectively issued at a discount of 90%.

On May 6, 1965, the Company acquired the Group "E" claims from J. P. Sijpkens, 98 Wellesley Street East, Toronto, Ontario, C. L. Gauthier, 11147 Frigon Street, Montreal 12, P.Q. and Roland Chenail, 160 Irvine Street, St. Lambert, P.Q. for the sum of $10,000 paid by the Company by the issue and allotment to J. P. Sijpkens, C. L. Gauthier and Roland Chenail as fully paid and non-assessable of 40,000 shares, 40,000 shares and 20,000 shares respectively issued at a discount of 90%.

On May 6, 1965, the Company acquired the group "F" claims from Arthur Boucher, 8060A Cartier Street, Montreal 35, P.Q., and C. L. Gauthier, 11147 Frigon Street, Montreal 12, P.Q. for the sum of $10,000 paid by the Company by the issue and allotment to Arthur Boucher and C. L. Gauthier as fully paid and non-assessable of 25,000 shares and 75,000 shares respectively issued at a discount of 90%.

On May 6, 1965, the Company acquired the Group "G" claims from the C. L. Gauthier 1964 Prospecting Grubstake, c/o C. L. Gauthier, 11147 Frigon Street, Montreal 12, P.Q. for the sum of $20,000 paid by the Company by the issue and allotment to the C. L. Gauthier 1964 Prospecting Grubstake as fully paid and non-assessable of 200,000 shares issued at a discount of 90% and by the issue of warrants for rights to subscribe to an additional 400,000 shares at a price of 25¢ per share.

(c) The following are the names and addresses in full of every person or company who has received or is to receive a greater than five per cent interest in the shares or other consideration received from any vendor:

(i) in the C. L. Gauthier 1960 Prospecting Grubstake, Kerr-Addison Gold Mines Ltd., 44 King St. West, Toronto, Ont. and C. L. Gauthier, 11147 Frigon Street, Montreal, P.Q.

(ii) in the C. L. Gauthier 1964 Prospecting Grubstake, Chimo Gold Mines Ltd., 4 King St. West, Toronto, Ont., Macassa Gold Mines Ltd., 112 King St. West, Toronto, Ont., Mining Corp. of Canada (1964) Ltd., 44 King St. West, Toronto, Ontario, and C. L. Gauthier, 11147 Frigon St., Montreal 12, P.Q.

13. The particulars relating to all properties of the Company are as follows:

(i) The claims described herein as Groups "A" to "G" are situated in the southern part of Boisbuisson Township, County of Gaspé North, Province of Quebec, and are connected by a motor road to the village of Mont St. Pierre, 15 miles away, on Highway No. 6, on the south shore of the St. Lawrence River. Mont St. Pierre lies five miles west of Mont Louis where a harbour serves the Gaspe Copper Mines' operations at Murdochville.

The claims described herein as the Raudin Group are situated on the west branch of the Grand Pabos River in the southeast part of the Gaspé Peninsula, Province of Quebec, near the southern corner of Raudin Township, some 16 miles west of the Town of Chandler. The claims may be reached by a lumber road from Highway No. 6.

(ii) No underground exploration and development work has been carried out and no underground plant and equipment is owned by the Company.

(iii) No surface plant and equipment is owned by the Company. Reference is hereby expressly made to the geological reports of Dr. N. R. Schindler dated April 7, 1965 and August 20, 1965 which form part of this prospectus for particulars of the character, extent and condition of the surface exploration and development of the claims.

(iv) The known history of the claims is as set forth in the said geological reports forming part of this prospectus, to which reference is hereby expressly made.

(v) The present management of the Company is engaged in carrying out the work programmes of surface exploration recommended in the said geological reports forming part of this prospectus. Reference is made to the Supplementary Engineer's Report on the Boisbuisson Township claims by Dr. N. R. Schindler dated October 23, 1965 forming part of this prospectus for particulars of the work carried out and the results obtained to October 23, 1965.

14. Particulars of the securities covered by option agreements outstanding or proposed to be given are as follows:

(i) By Agreement dated May 6, 1965 the Company issued to the C. L. Gauthier 1960 Prospecting Grubstake share purchase warrants entitling the holders thereof or assigns to subscribe for 300,000 shares at a price of 25¢ per share exercisable up to the close of business on February 11, 1966. After this date the shares not subscribed for by the exercise of these warrants will be offered at the same price pro rata to those who have exercised their warrants until all such shares have been subscribed for or until April 8, 1966, whichever is sooner.

(ii) By Agreement dated May 6, 1965 the Company issued to the C. L. Gauthier 1964 Prospecting Grubstake warrants for rights entitling the holders thereof or assigns to subscribe for 400,000 shares at a price of 25¢ per share exercisable up to the close of business on February 11, 1966. After this date the shares not subscribed for by the exercise of these warrants will be offered at the same price pro rata to those who have exercised their warrants until all such shares have been subscribed for or until April 8, 1966, whichever is sooner.

(iii) By Agreement dated December 28, 1965 the Company granted to C. L. Gauthier an option to purchase 75,000 shares at a price of 25¢ per share exercisable up to the close of business on December 31, 1966.

(iv) By Agreement dated December 28, 1965 the Company granted to Raymond Marleau an option to purchase 30,000 shares at a price of 25¢ per share exercisable up to the close of business on December 31, 1966.

To the knowledge of the signatories, the above shares will be purchased for investment. The shares issued in exercise of the foregoing options will be held in escrow until the expiry of 30 days after the completion of the primary distribution of the 500,000 shares being offered to the public.

In addition, the Company as a security issuer is offering 500,000 of its treasury shares to the public through its officers and/or registered brokers. These shares will be sold at varying prices to yield a minimum return to the treasury of at least 45¢ per share after allowing for the payment of commissions to registered brokers not to exceed 10% of the selling price to the public.

Reference is made to sub-paragraph (c) of paragraph 12 hereof for the names and addresses of all persons having more than a five per cent interest in the options referred to in sub-paragraphs (i) and (ii) above.

15. Management of the Company proposes to carry out the programme of future development and exploration of the claims recommended in the said geological reports forming part of this prospectus, to which reference is hereby expressly made. The proceeds from the sale of the securities offered by this prospectus will be used to finance these programmes, which are estimated to cost between $47,500 and $52,500 and to defray the administrative and operating costs of the Company estimated at approximately $37,000 for its first year of operations and to repay bank loans and other loans borrowed by the Company to defray exploration, development and administrative expenditures already incurred in the amount of $61,645 as at August 31, 1965, which said bank loans and other loans total approximately $37,000.

No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdictions in Canada in which the securities offered by this prospectus may be lawfully sold. Should the Company propose to use the proceeds to acquire non trustee type securities after primary or initial distribution of the securities offered by this prospectus has ceased, approval by the shareholders will be obtained and disclosure will be made to the regulatory bodies having jurisdiction over the sale of the securities offered by this prospectus.

Additionally, no part of the proceeds will be advanced in any way to any company and/or person except to the extent necessary to enable the Company to implement and complete its exploration and development programme.

The net proceeds to the Company from the subscription for the shares offered by this prospectus and from the exercise of the warrants and options referred to in paragraph 14 will be deposited in a special account with the Company's bankers and will not be released to the Company until there is an aggregate amount of $85,000 in such special account, at which time share certificates will be issued. In the event that the Company does not realize at least $85,000 from the sale of the shares and the exercise of the warrants and options on or before March 31, 1966 the proceeds deposited in such special account will be refunded.

16. The Company was incorporated on June 4, 1964 which is more than one year prior to the date of the balance sheet forming part of this Prospectus.

17. Other than in the ordinary course of business, the Company does not intend to create or assume any indebtedness which is not shown on the balance sheet of the Company as at August 31, 1965, except that the Company has borrowed since August 31, 1965 an aggregate amount of $20,000 to defray administrative, exploration and development expenses already incurred. The $20,000 was borrowed from Société Financière pour le Commerce et l'Industrie S.F.C.I. Ltée, matures as to $10,000 on December 20, 1965 and as to $10,000 on December 31, 1965 and bears interest at the rate of 7% per annum prior to maturity and at the rate of 9% per annum thereafter.

18. (a) The principal business in which each director or officer of the Company has been engaged during the last three years, position held and the name of the company or firm are as follows:

NAME	PRINCIPAL BUSINESS	LENGTH OF TIME DURING LAST THREE YEARS	POSITION HELD	NAME OF COMPANY OR FIRM
Roland Chenail	Professional Entertainer	3 years	President	Chenail de Montréal Inc.
Charles L. Gauthier	Prospector	3 years		Self-employed Director and shareholder Twin Mountain Uranium Mines Limited (NPL)
Adelard Moreau	Executive	3 years	Sec.-Treas.	Nor-Do Products Inc.
J. P. Sijpkens	Geologist	3 years		Self-employed
Georges H. Veilleux	Supervisor	2 years	Office Employee	Canada Iron Foundries Ltd. shareholder Twin Mountain Uranium Mines Limited (NPL)
		1 year	Prospector	C. L. Gauthier

(b) The nature and extent of the interest, direct or indirect, which any director or officer of the Company, whether personally or as a partner in a firm, has ever had in any property acquired or to be acquired by the Company is as follows:

(i) C. L. Gauthier has a 20% interest in the C. L. Gauthier 1960 Prospecting Grubstake from which the Company acquired the Group "A", Group "B" and Raudin Group claims and a 20% interest in the C. L. Gauthier 1964 Prospecting Grubstake from which the Company acquired the Group "G" claims. C. L. Gauthier also had a 25% interest in the Group "C" and Group "D" claims, a 40% interest in the Group "E" claims and a 75% interest in the Group "F" claims acquired by the Company.

(ii) J. P. Sijpkens had a 40% interest and Roland Chenail a 20% interest in the Group "E" claims acquired by the Company.

(c) The aggregate remuneration paid by the Company during the period from June 4, 1964 (date of incorporation of the Company) to December 31, 1964 to directors of the Company, as such, was nil and to officers of the Company, as such, was nil. The aggregate remuneration estimated to be payable by the Company during the current financial year to directors of the Company, as such, is nil and to the Secretary-Treasurer of the Company as such, is $5,400.

19. No dividends have been paid by the Company since the date of its incorporation.

20. No person is by reason of beneficial ownership of securities of the Company or any agreement in writing in a position or entitled to elect or cause to be elected a majority of the directors of the Company.

21. There are no other material facts not disclosed in the foregoing statutory information and President's letter forming part of this prospectus.

December 30, 1965.

The foregoing constitutes full, true and plain disclosure of all material facts with respect to the offering of securities referred to above as required by section 38 of The Securities Act (Ontario) and under the Quebec Securities Act and there is no further material information applicable other than in the financial statements or reports where required or exigible.

DIRECTORS

(Signed) ROLAND CHENAIL *

(Signed) JAKOB PIETER SIJPKENS *

(Signed) CHARLES L. GAUTHIER

(Signed) G. H. VEILLEUX

(Signed) ADELARD MOREAU *

* by his agent, (Signed) CHARLES L. GAUTHIER

PROMOTER

(Signed) CHARLES L. GAUTHIER

The following is a list of the members of the C. L. Gauthier 1960 Prospecting Grubstake and the 1964 Prospecting Grubstake.

C. L. GAUTHIER 1960 PROSPECTING GRUBSTAKE

Bracemac Mines Limited
Chimo Gold Mines Limited
Consolidated Zinc Corp. of Canada Ltd.
Crackingstone Mines Limited
Denison Mines Limited
Dominion Explorers Limited
Falconbridge Nickel Mines Limited
Fallmac Nickel Mines Limited
Gaitwin Explorations Limited
Hollinger Quebec Exploration Ltd.
Independent Mining Corp. Limited
James Bay Mines Limited
Jonsmith Mines Limited
Jowsey, F. H. Limited
Kennco Explorations (Canada) Ltd.
Kerr-Addison Gold Mines Limited
MacMillan Prospecting & Dev't Ltd.
McIntyre Porcupine Mines Limited
Merged Mining Enterprise Limited
Mining Corporation of Canada (1964) Ltd.
Mosher, M. C., Mining Executive
Negor Mines Limited
New Dominion Nickel Mines Limited
Noranda Exploration Limited
Premium Iron Ores Limited
Quebec Chibougamau Goldfields Ltd.
Quebec Smelting & Refining Limited
Rayrock Mines Limited
Rosario Mining Explorations Limited
Selco Exploration Co. Limited
Siscoe Metals of Ontario Limited
Kopan Developments Limited
Sogemines Development Co. Limited
Tache Lake Mines Limited
Terra Nova Explorations Limited
Zulapa Mining Corp. Limited
C. L. Gauthier, Prospector

C. L. GAUTHIER 1964 PROSPECTING GRUBSTAKE

British Matachewan Gold Mines Ltd.
Canadian Nickel Co. Limited
Chib-Kayrand Copper Mines Ltd.
Chimo Gold Mines Limited
Consolidated Golden Arrow Mines Ltd.
Consolidated Mining & Smelting of Canada Ltd.
Conwest Exploration Limited
Denison Mines Limited
Falconbridge Nickel Mines Limited
Goldray Mines Limited
Hanna Mining Company
Jowsey, R. J. Mining Co. Limited
Keevil Mining Group Limited
Locana Mineral Holdings Ltd.
Macassa Gold Mines Limited
McLean, E. H., P.Eng. (c/o Geco)
Mining Corp. of Canada (1964) Ltd.
New Calumet Mines Limited
New Jersey Zinc Exploration Co. (Canada) Ltd.
Noranda Exploration Co. Limited
O'Brien Gold Mines Limited
Osisko Lake Mines Limited
Patino Mining Corp.
Selco Exploration Co. Limited
Siscoe Metals of Ontario Limited
Terra Nova Explorations Limited
Westfield Minerals Limited
C. L. Gauthier, Prospector

Gasp

BALANCE SHEET A

ASSETS

CURRENT:			
Cash			$ 478.
Advance and deposit			1,036.
Total Current Assets			1,514.
MINING CLAIMS acquired for 675,000 shares of the company's capital stock at a valuation determined by the directors			67,500.
FIXED:			
Office furniture and equipment — cost	8,112.		
Less accumulated depreciation	540.	7,572.	
Camp equipment — cost	535.		
Less accumulated depreciation	35.	500.	
Leasehold improvements — balance to be amortized		3,560.	11,632.
OTHER:			
Exploration, development and administrative expenditures deferred (schedule attached)		61,645.	
Incorporation expenses		1,810.	63,455.
			$144,101.

Note 1: The Company has reserved 805,000 shares for issuance under the following options and share purchase warrants:

Number of Shares	*Price*	*Exercisable up to*
105,000	25¢	December 31, 1966
700,000	25¢	April 8, 1966

Note 2: Subsequent to August 31, 1965 the Company borrowed an additional $20,000 to finance current operations.

Note 3: The Company proposes to offer for sale to the public 500,000 shares at varying prices to yield at least 45¢ per share after commissions.

Note 4: On December 28, 1965 the Company assigned the lease for its head office premises to C. L. Gauthier who assumed the Company's obligations thereunder and the Company sold to Mr. Gauthier its office furniture and equipment at cost.

AUGUST 31, 1965

LIABILITIES

CURRENT:	
Bank loan	$ 7,500.
Note payable	10,000.
Accounts payable and accrued charges	21,024.
Taxes payable	1,864.
Total current liabilities	40,388.
Advances from a director	16,983.

Capital stock (Note 1)

Authorized: 5,000,000 shares of the par value of $1.00 each.

Issued and fully paid:		*Par Value*	*Discount*	*Net*	
For cash	81,460 shares	81,460	69,230	12,230	
For services	70,000 shares	70,000	63,000	7,000	
For mining claims	675,000 shares	675,000	607,500	67,500	
	826,460 shares	826,460	739,730		86,730.
					$144,101.

On behalf of the Board:

(Signed) CHARLES L. GAUTHIER, Director

(Signed) G. H. VEILLEUX, Director

SCHEDULE OF EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES DEFERRED

FROM DATE OF INCORPORATION (JUNE 4, 1964) TO AUGUST 31, 1965

Exploration and development:	
Geological and prospecting reports	$ 1,470.
Claiming, filing and recording	2,037.
Maps, aerial photos and prints	1,147.
General supplies	1,117.
Catering	3,217.
Rental of equipment	1,941.
Maintenance and Repairs	580.
Rent	615.
Travelling	2,041.
Outside work	2,065.
Salaries and wages	20,095.
Depreciation	261.
	36,586.
Less payments by employees for board and lodging	3,117.
	$33,469.
Administrative:	
Organization and promoting fees	$ 9,100.
Legal and audit	3,530.
Interest and bank charges	112.
Telephone, telegraph and postage	1,559.
Printing and stationery	1,539.
Prospectus expenses	1,849.
Rent	2,411.
Taxes	405.
Salaries	2,610.
Travelling	3,827.
Depreciation	569.
Miscellaneous	665.
	$28,176.
	$61,645.

AUDITORS' REPORT

To the Directors of
Gaspex Mines Ltd. (No Personal Liability):

We have examined the balance sheet of Gaspex Mines Ltd. (No Personal Liability) as at August 31, 1965. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet presents fairly the financial position of the company as at August 31, 1965 in accordance with generally accepted accounting principles.

Montreal, Canada
December 30, 1965.

(Signed) CLARKSON, GORDON & CO.
Chartered Accountants.

ENGINEER'S REPORT
ON THE BOISBUISSON TOWNSHIP CLAIMS OF GASPEX MINES LTD.

(No Personal Liability)

by Norman R. Schindler, Ph.D., P.Eng.

PROPERTY

The property of Gaspex Mines Limited covered by this report consists of 134 claims located in Boisbuisson Township, County of North Gaspé, Quebec. Specifically the claims are defined as follows:

Group	*Certificate Number*	*No. of Claims*	
A	183518 1, 2, 5	3	
	183524 1, 4	2	
	202980 1 – 5	5	
	202981 1 – 5	5	
	202982 1 – 5	5	
			20
B	216943 1 – 5	5	
	216944 1 – 5	5	
			10
C	216152 1 – 5	5	
	216153 1 – 5	5	
	216902 1 – 5	5	
			15
D	219387 1 – 5	5	
	219388 1 – 5	5	
	219389 1 – 5	5	
	219390 1 – 5	5	
	219391 1 – 5	5	
	219392 1 – 5	5	
			30
E	216144 1 – 5	5	
			5
F	209076 1 – 5	5	
	214556 1 – 5	5	
	214559 1 – 5	5	
	216150 1 – 5	5	
	216151 1 – 5	5	
	216942 1 – 5	5	
	219468 1 – 5	5	
	219470 1 – 5	5	
			40
G	209033 2	1	
	209034 1	1	
	209035 1	1	
	209036 1	1	
	216148 1 – 5	5	
	216149 1 – 5	5	
			14
		Total:	134

Groups A, B, C, D, E, and F are contiguous; group G is a separate block lying one mile to the west. (See map on back cover).

LOCATION AND ACCESSIBILITY

The property is situated in the southern part of Boisbuisson township and is connected by a motor road to the village of Mont-St-Pierre, 15 miles away, on Highway No. 6, on the south shore of the St. Lawrence River. Mont-St-Pierre lies 5 miles west of Mont Louis where a harbour serves the Gaspe Copper Mines' operations at Murdochville.

HISTORY

The area in which the Company's claims are situated was first mapped geologically by I. W. Jones in 1932. ("The Tabletop Map-area, Gaspe"; Quebec Bureau of Mines Annual Report for 1932; Part D.). In his report Jones mentioned an occurrence of galena and sphalerite in calcite veins in Galena brook between the Company's present claim groups D and G, and also the presence of small spots of malachite at an unidentified locality in volcanic rocks east of the North branch of the Madeleine River.

No systematic prospecting appears to have been done in the area until 1960 when the C. L. Gauthier 1960 Prospecting Grubstake commenced a search for the source of copper-bearing boulders discovered during the course of lumbering operations. In 1961 a reconnaissance geochemical survey and a self potential survey were conducted over a portion of the claims staked by the 1960 Prospecting Grubstake. With the opening up of the Gaspesian Park to mineral exploration in November 1963, prospecting by the C. L. Gauthier 1964 Prospecting Grubstake was extended westward towards the eastern contact of the Tabletop granite batholith; during the course of this work copper mineralization, in place, was discovered and staked by the 1964 Prospecting Grubstake (Claim group G).

GEOLOGY

The Company's claims are underlain by sediments and basic volcanics considered to be of Ordovician age. The general strike of the formations is between east-north-east and due east and the dips are consistently southerly at angles varying between 20° and 45°. The sediments are divisible into a lower and an upper group underlying and overlying, respectively, a belt of basic volcanics.

The lower group of sediments is made up principally of limestone, arenaceous limestone, calcareous slate, and quartzite. At the base of the volcanics the rock, where exposed, is seen to be an indurated slate or hornfels.

The volcanic rocks form a prominent series of high ridges, with elevations up to 3,000 feet above sea level, cut through by the southerly flowing North branch of the Madeleine river whose valley lies at an elevation above sea level of 1,750 feet. The volcanic belt attains a maximum width on surface of about 1¼ miles but narrows considerably in both directions; it appears to pinch out in an easterly direction and is cut off by the Tabletop granite to the west. As mapped by Jones, the belt has a length of 7½ miles. The volcanic rocks are dark greenish-grey to almost black, and predominantly massive; amygdaloidal and pillow structures are found but are not common. In places there is sufficient magnetite to deflect a compass. Quartz and epidote besides filling amygdules also occur as veins; all those seen do not exceed a few inches in width. Linear depressions within the volcanics suggest the existence of strong jointing or shearing.

The upper sedimentary group overlying stratigraphically the volcanics is made up predominantly of thinly bedded, dark grey to black, shale or argillite; interbedded with the argillites are a few beds of limestone and calcareous shale. At the base of the group there is a narrow conglomeratic zone composed of pebbles of quartz and fragments of slate and basic lava lying in a partly ferruginous matrix indicating a former erosional surface and hence an hiatus at the base of the upper sedimentary group.

Of the intrusive rocks in the area, by far the most important is the Tabletop granite which is presumed to be of Middle Devonian age. The eastern contact of the intrusion, which measures 10 miles across in a north-south direction and 4 to 5 miles in an east-west direction, is located at the western end of the Company's G claim group. Within a narrow contact aureole adjacent to the granite, shales and slates have been converted to hornfels in which the bedding planes have been obliterated; another type of contact alteration is granitization of the sediments. Basic intrusives, as narrow sill-like and cross-cutting bodies, are common in the Ordovician sediments. Their apparent absence within the volcanics may merely reflect the difficulty of distinguishing the two rock types.

Major faulting has not been positively identified within the claim area. It is possible, however, that a transverse fault of some magnitude underlies the valley of the North branch of the Madeleine river; the existence of a fault here is suggested by the transcurrent valley itself, by the apparent horizontal displacement of the contacts of the volcanics, and by the presence in the river, just south of the prospectors' cabin opposite Option lake, of a brecciated zone occupied by a quartz vein with a visible width of 3 to 5 feet; the vein contains some epidote and a few specks of bornite. An east-west trending fault zone is also presumed, from an aeromagnetic survey carried out under the direction of J. P. Sijpkens, to occupy a position approximating that of the northern contact of the volcanics south of Galena brook, on the west side of the North branch of the Madeleine river.

The region evidently escaped continental glaciation. However the presence of numerous cirques around the Tabletop highland proves the former existence of Alpine type glaciers. Ice from these glaciers undoubtedly flowed down and along the nearby valleys and is responsible for the transport and distribution of erratics, such as those composed of basic volcanic material already mentioned. Away from the stream valleys, even on the higher ground within the claim area, the soil represents weathering of the underlying rocks or is displaced only short distances down slope. The soil profile is, therefore, more or less a normal one and is well suited to the application of geochemical exploration techniques.

Outcrops are fairly numerous along streams; they are scarce in interstream areas underlain by sedimentary rocks but abundant along the volcanic belt.

MINERALIZATION

Reference has already been made to the occurrence of galena and sphalerite in calcite veins in Galena brook, and of copper-bearing erratics found along the valleys of the Mont-St-Pierre brook and North branch of the Madeleine river. These mineralized boulders consist of quartz-epidote vein material in basic lava; all are sub-angular in shape and vary from less than one foot to about six feet in diameter; they obviously have their source in the volcanic belt. The mineralization, which varies from light to heavy, consists of chalcopyrite, bornite, or chalcocite; in some cases magnetite accompanies the sulphides. Samples taken from the better mineralized boulders returned assays of between 0.5% and 6.0% copper; one sample of nearly massive sulphides gave 14.5% copper. It has to be emphasized, however, that these are assays of grab samples and the width of the mineralization, although not recorded, is narrow.

Prospecting by the 1960 C. L. Gauthier Grubstake led to the discovery of more such boulders and to a narrow mineralized quartz-epidote vein, of identical material, in place, in the volcanics west of the North branch of the Madeleine river, outside the Company's present claims. In the same locality a quartz vein up to two feet wide was found and exposed for a strike length of fifteen feet. A sample of this material is reported to have assayed 1.61% copper.

A concentration of angular to sub-angular quartz boulders was found distributed over a distance of about 200 feet along a lumber road, near Option lake, near the presumed location of the southern contact of the volcanics. A grab sample of a well-mineralized boulder is reported to have assayed 0.49 oz. per ton in gold, 2.6 oz. per ton in silver, and 7.88% in lead. Another sample from the same locality is reported to have assayed 0.113 oz. per ton in gold and 1.74% in antimony. A small outcrop of slightly mineralized quartz, not seen by the writer, is reported to have been found at the same locality.

Also not seen by the writer is a large boulder, said to be about 10 feet in diameter, found about 1,000 feet north of the confluence of Galena brook and the North branch of the Madeleine river; it is described as a breccia composed of fragments of sedimentary material set in a calcite-quartz matrix containing pyrite and chalcopyrite. Its source has not been found but is probably nearby.

During the summer of 1964, the C. L. Gauthier Prospecting Grubstake made a discovery of copper mineralization, in place, on claims 1 and 3, Certificate 216148, claim group G. The writer has not seen this latest discovery but has examined specimens from it. The mineralized zone is said to be at the contact between the lower group of sediments and the volcanics. Judging by the specimens inspected, the sulphides occur on both sides of the contact, in indurated argillite of the lower (sedimentary) series and in tuffaceous material at the base of the volcanics. The ore minerals are pyrite, chalcopyrite, and bornite which occur as scattered grains and blebs and as discontinuous veinlets along fractures over a reported width of 6 to 10 feet. Native copper is also reported. The zone, which is exposed along a rock face, has been opened up at seven places along a strike length of 275 feet, and is said to be 'open' at both ends. Grab samples taken by C. L. Gauthier from three of the seven places returned assays of 0.61%, 0.75%, and 2.47% in copper. Chloritization accompanies the mineralization.

EXPLORATION AND DEVELOPMENT WORK

Exploration and development work on the Company's claims has taken the form of prospecting, a limited geochemical survey, a partial self potential survey and a minor amount of stripping on the mineralized zone on the G claim group.

Prospecting, aimed principally at tracing mineralized boulders to their source, has been confined to the western half of the volcanic belt. Reference has already been made to the few resulting discoveries of mineralization *in situ*. Judging by the number of mineralized volcanic boulders, however, it appears logical to assume that many quartz-epidote vein systems remain undiscovered.

Stripping has been confined to the contact zone on the G claim group, as already mentioned.

The reconnaissance geochemical survey was carried out in June 1961 by one of the companies participating in the C. L. Gauthier 1960 Prospecting Grubstake. Soil samples were taken at 500-foot intervals along a total of 6 miles of roads on both sides of, and across, the belt of volcanics, and along about 4 miles of claim lines. Significantly high total-heavy-metal results were obtained over a distance of half a mile along a lumber road on the northern boundary of claim group B. A report on this survey was submitted for assessment work credits to the Quebec Department of Natural Resources.

The self potential survey was conducted by Prospecting Geophysics Limited. Its purpose was to attempt to locate the source of the anomalously high metal content located by the geochemical survey. A report dated August 15th, 1961, embodying the results and recommendations for further work was written by J. C. Shaw, P.Eng. This report, too, was submitted for assessment work credits. The survey covered a total of 29 claims, being part of claim groups A, B, C, and D. Seven anomalous areas were singled out by Shaw as being of possible interest, three of which have minimum values in the −200 m.v. to −300 m.v. range, and four in the −300 m.v. to −400 m.v. range; one of the latter, consisting of a series of anomalies covering an area 600 feet square, coincides reasonably well with the area of mineralized quartz boulders near Option lake, the angular blocks of brecciated and mineralized quartz were seen at the location of another of the better anomalies. To date none of these anomalous areas has been investigated.

CONCLUSIONS AND RECOMMENDATIONS

Exploration work carried out to date on, and in the vicinity of, the Company's claims has disclosed quite widespread copper and mineralization; in addition, lead and zinc (Galena brook) and gold and lead (Option lake) have been noted. No mineral occurrences of commercial tenor and width have been found but, on the other hand, only a portion of the claim area has been prospected and that by no means exhaustively. In assessing the potentialities of the property it is necessary, also, to consider the broader geological setting. The Devonian Tabletop granite which is intrusive into sedimentary rocks of diverse types gives rise to conditions that are favourable for the formation of both vein and replacement types of mineral deposits. Indeed, occurrences of both types of deposits are known in Ordovician and Silurian rocks south of the granite mass and in Ordovician rocks west of it; both these areas are at present being actively explored by several exploration companies. On the west side of the Tabletop granite, copper mineralization has been found in argillites south of a band of basic volcanics, and copper and zinc in quartzite and limestone horizons, respectively, north of the volcanics; the latter are presumed to represent the westerly continuation, beyond the granite, of the volcanics on the Gaspex claims. The volcanic belt and the sediments above and below it would therefore appear to be favourable horizons for mineral deposition. In the case of the Company's property, fractured and brecciated zones and faults within the volcanics; the sediments between the base of the volcanics and the assumed Galena brook fault; the area of mineralized boulders near Option lake; all are considered to merit detailed exploration. Furthermore, all the claims should be systematically explored for additional favourable structures and mineralization, by the means recommended below.

For the effective and efficient exploration of the Company's claims the following programme is recommended:

1. Line cutting; with picket lines spaced at 400-foot intervals.
2. Geochemical survey; soil sampling at a maximum of 200-foot intervals along all picket lines, and silt sampling of all streams.
3. Detailed geological mapping, concurrently with the geochemical survey.
4. Self potential surveys of all geochemically anomalous areas, all areas where mineralization has been observed, and all apparent or suspected fracture, breccia, and fault zones.
5. Electromagnetic surveys over all strong self potential anomalies.
6. A ground magnetometric survey of claim group E and, where deemed expedient, of any other localized areas of interest.
7. Bulldozing, wherever practicable, to expose bedrock over significant self potential and electromagnetic anomalies.
8. Systematic prospecting, utilizing picket lines for control, and continued development of known mineralized zones.

ESTIMATED COST

The estimated cost of the field programmes recommended, exclusive of any diamond drilling that may subsequently be required, is between $45,000 and $50,000, depending on the number of anomalies disclosed by the various surveys. This estimate covers the work to be performed during 1965 only.

Montreal, P.Q.
April 7th, 1965.

N. R. Schindler, Ph.D., P.Eng.

Certificate

I, Norman R. Schindler of the City of Westmount in the Province of Quebec, do hereby certify that:

1. I am a mining geologist, residing at 598 Grosvenor Avenue, Westmount, Quebec.
2. I am a graduate of Rhodes University (South Africa) with a degree of Bachelor of Science (1927), and hold the degrees of Master of Science in geology (1933) and Doctor of Philosophy in geology (1934) from McGill University, Montreal.
3. I am a member of the Corporation of Engineers of Quebec and of the Association of Professional Engineers of Ontario, and have been practising my profession continuously for 31 years.
4. I have no direct or indirect interest, nor do I expect to receive any interest directly or indirectly in Gaspex Mines Ltd. (No Personal Liability).
5. The statements made in this report are based on a personal visit to most of the claim groups, on previous experience in the area, on maps and reports published by the Department of Natural Resources of Quebec, and on private reports.

Montreal, Quebec.
April 7th, 1965.

(Signed) N. R. SCHINDLER, PH.D., P.ENG.

ENGINEER'S REPORT
ON THE RAUDIN TOWNSHIP CLAIMS OF GASPEX MINES LTD.

(No Personal Liability)

by Norman R. Schindler, Ph.D., P.Eng.

PROPERTY

The property of Gaspex Mines Limited covered by this report consists of seven claims, with a nominal area of 280 acres, situated in Raudin Township, County of South Gaspé, Quebec. Specifically the claims are defined as follows:

Certificate No.	*No. of Claims*
175970 cl. 4	1
175975 cls. 1 to 5 inclusive	5
175976 cl. 1	1
	7

LOCATION AND ACCESS

The property is situated in the southwestern quarter of Raudin township, approximately 18 miles west of the town of Chandler on the south coast of the Gaspé peninsula. Access is by road from Chandler westward for 3 miles on the paved Highway 6 thence by bush road, suitable for travel by four-wheeled vehicle, which follows the West Grand Pabos river as far as the claims.

HISTORY AND PREVIOUS WORK

The claims lie within an area mapped for the Quebec Department of Natural Resources by W. G. Ayrton in 1960 ("Preliminary Report on Chandler — Port Daniel Area, Bonaventure and Gaspé-South Counties." P.R. No. 447, 1961; map No. 1382).

Late in the season of 1960, 15 claims were staked by the C. L. Gauthier 1960 Prospecting Grubstake and a limited amount of prospecting was carried out toward the end of the field season of that year. (Subsequently the group was reduced to seven claims). During the winter of 1960-61 the property was optioned to Denison Mines Limited who, during the summer and fall of 1961, cut 16 miles of picket lines, mapped the claims geologically, and sampled stream silts; 325 feet of packsack drilling was done as an aid in the mapping. As a consequence of the results obtained from this work an induced polarization survey was carried out for the optionee in the spring of 1962 by Hunting Survey Corporation Limited of Toronto. The survey covered only claim 175975-4, part of claim 183514-2, and two lines extended into claim 175975-1; claim 183514-2 is one of 5 claims staked along the northern boundary of the Gaspex group by Denison Mines Limited for their own account. One zone of above normal chargeability was indicated on the Denison claim close to the boundary of the Gaspex block, and another zone, of probable abnormal chargeability, was located on the Gaspex claim 175975-4. Both of these localities were investigated by trenching and diamond drilling; a total of sixteen trenches were dug but bedrock was reached in only two and in these the rock was completely leached. Four holes, totalling 1,454 feet, were drilled on the Denison-Gaspex boundary and one, 298 feet long, on the second zone. Denison Mines Limited relinquished their option in 1963, and since that time there has been no further work.

GEOLOGY

The northern portion of the claim area is underlain by the Pabos formation consisting of a series of tightly folded limestones and argillaceous and silty limestone striking N.70°.E., considered to be of Upper Ordovician age, and by rocks of volcanic origin, including tuffs, flow breccias, and flows. The southern portion of the claims is occupied by steeply dipping mudstones and siltstones classified as Silurian, which lie on the northern limb of a westerly pitching syncline. The two formations are separated by a regional fault, striking east-west, which is clearly discernible on air photographs for a distance of some twenty miles. Locally, the dip of the fault is vertical and its down-thrown side is on the south. According to Ayrton (op. cit.), the fault is well exposed along the North Grand Pabos river 5 miles east of the claims where a breccia up to 30 feet wide is exposed in the river bed for a distance of about a mile. A breccia zone about 80 feet wide reported by C. L. Gauthier in the West Grand Pabos river near the western boundary of claim 175975-2 no doubt defines the position of the fault on the claim group.

The volcanic rocks extend across the eastern boundary of the claims, north of the West Grand Pabos river, westward for about a mile and lens out on claim 175976-1; around the western nose of the belt a zone of hornfels separates the volcanics from the sediments of the Pabos formation. One small intrusion of diorite is emplaced along the southern contact of the volcanics; and a second, narrow, body of diorite, elongated in an east-west direction, intrudes the Silurian sediments near the fault, on its south side.

MINERALIZATION

Ayrton reported minor base metal mineralization from scattered localities along the fault zone from three and a half to five miles east of the claim area; mention is made of the occurrence of disseminated bornite and chalcopyrite in a couple of places and of a little millerite in another. He also reported traces of nickel and copper in brecciated quartzite from the claim area, probably the same breccia zone reported by C. L. Gauthier, and mentioned above; the latter described gossan and skarn in this zone from which he obtained up to 0.35% nickel and traces of copper.

The silt sampling programme carried out by Denison Mines Limited revealed highly anomalous total heavy metal contents along a small tributary of the West Grand Pabos river near the western boundary of claim 175975-4 and a few lower anomalous results along another tributary along the eastern boundary of claims 175975-2 and 5.

Between 1% and 2% of combined pyrite and lesser amounts of one or more of sphalerite, galena, and chalcopyrite were intersected more or less throughout the entire lengths of holes Nos. 1, 2, 3, and 4 drilled in the volcanic rocks on the northern induced polarization anomaly. In drill hole No. 5 on the southern anomaly, traces only of pyrite were encountered, in argillaceous limestone, in the upper part of the hole. The best mineralization was in drill hole No. 1 in which a section of 13 feet assayed 0.2% copper, 0.24% lead, and 0.6% zinc.

CONCLUSIONS AND RECOMMENDATIONS

The observed occurrence of minor base metal mineralization at scattered locations over a distance of at least five miles along, and in the vicinity of, the regional fault zone points to this zone as being a favourable one for prospecting. On the Company's claims the work programmes detailed above have demonstrated that copper, lead, and zinc sulphides are widely dispersed in the volcanic rocks, although not in economic amounts where observed, and signs of mineralization have been noted in the fault zone. It is apparent that past work of a detailed character has been confined to a couple of small areas while other places of possible interest have been more or less neglected; thus, judging by the drainage pattern, the high metal content of the stream near the western boundary of claim 175975-4 may not all be derived from the known mineralized area at the northern induced polarization anomaly; the whole drainage area of this stream deserves more detailed prospecting than it has received, so also does the fault zone itself.

The following programme is recommended in order to complete the investigation of the claim area:

1. Line cutting with picket lines at 300 foot intervals; the grid to cover the whole claim group.
2. Soil sampling; samples to be taken at 100 foot spacing along all picket lines.
3. Careful prospecting of the claim area, using the picket lines as control.

Should no encouraging results be obtained from this programme it is recommended that the claims be abandoned.

ESTIMATED COST

The estimated field cost of the programme recommended is $2,500.

Montreal, Quebec.
August twentieth, 1965.

N. R. Schindler, Ph.D., P.Eng.

Certificate

I, Norman R. Schindler of the City of Westmount in the Province of Quebec, do hereby certify that:

1. I am a mining geologist, residing at 598 Grosvenor Avenue, Westmount, Quebec.
2. I am a graduate of Rhodes University (South Africa) with a degree of Bachelor of Science (1927), and hold the degrees of Master of Science in geology (1933) and Doctor of Philosophy in geology (1934) from McGill University, Montreal.
3. I am a member of the Corporation of Engineers of Quebec and of the Association of Professional Engineers of Ontario, and have been practising my profession continuously for 31 years.
4. I have no direct or indirect interest, nor do I expect to receive any interest directly or indirectly in Gaspex Mines Limited.
5. The statements made in this report are based on maps and reports published by the Department of Natural Resources of Quebec, and on private reports. I have not inspected the property personally.

Montreal, Quebec.
August 20th, 1965.

(Signed) N. R. Schindler, Ph.D., P.Eng.

SUPPLEMENTAL ENGINEER'S REPORT
ON THE BOISBUISSON TOWNSHIP CLAIMS OF GASPEX MINES LTD.

(No Personal Liability)

This report presents an outline of the work accomplished and results obtained to date during the current season on the Company's Boisbuisson township property; it also gives the Company's plans for the remainder of the field season. It is supplementary to, and should be read in conjunction with the 'Engineers Report' dated April 7th, 1965, incorporated in this prospectus.

The writer visited the property on October 20th, and 21st and inspected various localities of interest within the Company's claims, examined work plans, and had discussions with the Company officials on all phases of the exploration programme.

As of mid-October the following work has been carried out this season:

1. Line cutting. Lines at 400 foot intervals have been cut over the entire claim area with the exception of the most easterly 20 claims on Group F, and a small area within the belt of volcanic rocks on Group G. The aggregate mileage cut is approximately 110.

2. Geochemical survey. Approximately 3000 soil samples have been collected, sampling points being spaced at 200 foot intervals along all cut lines. Analyses, using the cold total heavy metal extraction method, are being carried out by a commercial firm. To date not all the results have been received and until all the analyses are available and plotted no assessment of the results is possible.

3. Ground Magnetometric Survey. The coverage of all cut lines is almost complete. Work is currently in progress on the small remaining mileage on the G claim group.

Five anomalous zones, disposed en echelon, were located in the vicinity of Option lake on claim group A. The anomalies vary in length from 800 to 1200 feet and in magnetic intensity from approximately 2000 to 4000 gammas above background. In part there is a rough coincidence between these magnetometric anomalies and self potential anomalies disclosed by a survey conducted in 1961. Of added significance is the occurrence in the same locality of well mineralized boulders of both vein quartz and lava forming a train that has been traced for a couple of hundred feet.

The airborne magnetometric anomaly situated on the E claim group showed up on the ground survey as a low broad anomaly indicative of considerable depth of the causative magnetic body.

The survey has also served to locate within reasonably narrow limits the contacts between the sediments and the lavas and will thus assist exploration, referred to below, along the contact zones.

4. Electromagnetic survey. A survey of the area encompassing the magnetometric and self potential anomalies near Option lake has only recently been commenced and no results are yet available. Following the completion of the coverage of this area a survey is to be carried out along the lower lava-sediment contact zone on the G claim group, and elsewhere if considered warranted.

5. Prospecting. Systematic prospecting has been carried out along all cut lines. In addition to the discovery of more mineralized boulders, copper mineralization in place has been found in narrow quartz veins in two new localities, one on claim group A and the other on claim group D, and as very light disseminations in quartzitic grit at the base of the upper sedimentary group in the southern part of claim group G.

The results of the season's work to date tends to confirm the view that the most favourable ground on the Company's Boisbuisson property is along both flanks of the belt of lavas, consequently for the remainder of the season attention will be focussed on these contact zones, and more especially at the following localities:

(a) Claims 216148 1 & 3, claim Group G.

A brief description of the mineralization in the contact zone in this locality is given in the 'Engineers Report'. The mineralization appears to be mainly associated with a zone of steeply dipping fractures along and parallel to the base of the lavas rather than to the contact itself. Stripping that has been done is too superficial to determine which is the controlling structure; and for the same reason accurate sampling is not possible. It is planned to open up the contact zone here and along its strike more effectively by rock trenching after the completion of the geophysical work now in progress.

(b) Option lake area, claim group A.

Due to easy access and favourable topographic and soil conditions it should be an easy matter to expose bed-rock across the magnetometric and self potential anomalies in this area by bull-dozing; this is planned for an early date. Other self potential anomalies on claim group A are likewise to be stripped.

(c) Lower contact zone, claim group B.

Mention was made in the 'Engineers Report' to a geochemically anomalous zone along Lineaire brook on the northern boundary of claim group B. The subsequent discovery of copper mineralization within the lava-sediment contact zones elsewhere on the property suggests the possibility of similar conditions along the contact up-slope from this geochemical anomaly. It is planned, therefore, to prospect the northern lava contact by means of trenching, using the results of the magnetometric survey as a guide.

(d) The southern lava contact, claim group G.

If time permits, the mineralization found in the basal grits is to be investigated by stripping and/or trenching.

Montreal, Quebec.
October 23rd, 1965.

N. R. Schindler, Ph.D., P.Eng.

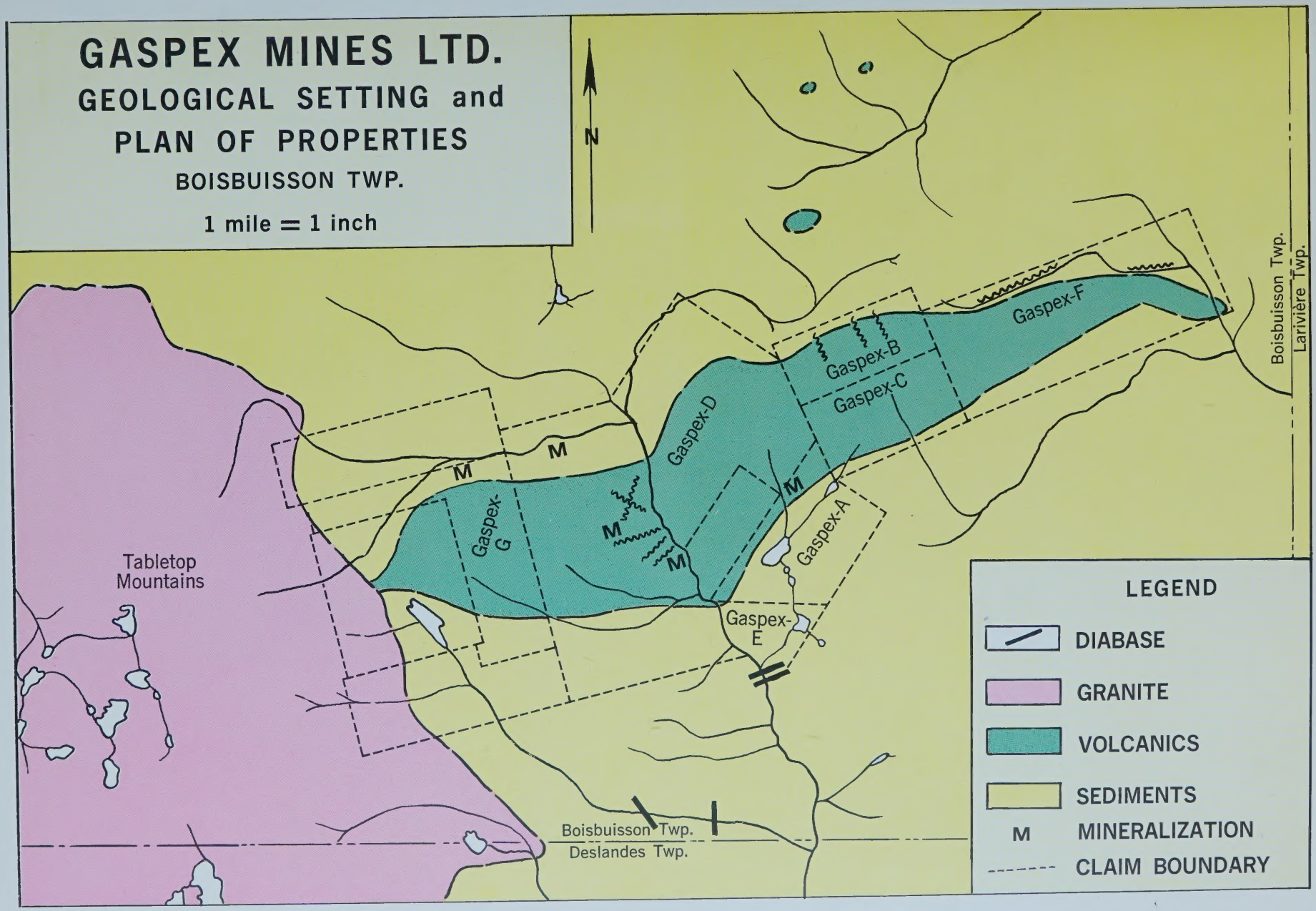
Certificate

I, Norman R. Schindler of the City of Westmount in the Province of Quebec, do hereby certify that:

1. I am a mining geologist, residing at 598 Grosvenor Avenue, Westmount, Quebec.
2. I am a graduate of Rhodes University (South Africa) with a degree of Bachelor of Science (1927), and hold the degrees of Master of Science in geology (1933) and Doctor of Philosophy in geology (1934) from McGill University, Montreal.
3. I am a member of the Corporation of Engineers of Quebec and of the Association of Professional Engineers of Ontario, and have been practising my profession continuously for 31 years.
4. I have no direct or indirect interest, nor do I expect to receive any interest directly or indirectly in Gaspex Mines Limited.
5. The statements made in this report are based on previous experience in the area and on a personal visit to the property on October 20th and 21st, 1965.

Montreal, Quebec.
October 23rd, 1965.

(Signed) N. R. SCHINDLER, PH.D., P.ENG.


GASPEX MINES LTD.
GEOLOGICAL SETTING and
PLAN OF PROPERTIES
BOISBUISSON TWP.
1 mile = 1 inch
N
Gaspex-F
Gaspex-B
Gaspex-C
Gaspex-D
Gaspex-G
Gaspex-A
Gaspex-E
M
Tabletop
Mountains
Boisbuisson Twp.
Larivière Twp.
Boisbuisson Twp.
Deslandes Twp.
LEGEND
DIABASE
GRANITE
VOLCANICS
SEDIMENTS
M MINERALIZATION
CLAIM BOUNDARY